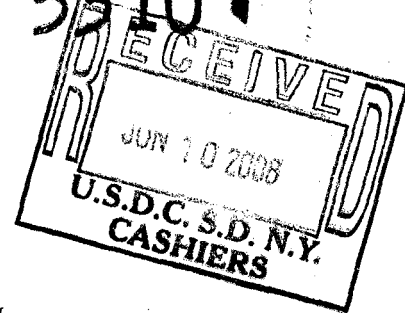


JUDGE CASTEL

08 CIV 53107

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK



-----X
New Jersey Carpenters Health Fund, On Behalf of
Itself and All Others Similarly Situated,

Plaintiffs,

-against-

Civil Action No. _____

NovaStar Mortgage Funding Trust, Series 2006-3,
NovaStar Mortgage Funding Trust, Series 2006-4,
NovaStar Mortgage Funding Trust, Series 2006-5,
NovaStar Mortgage Funding Trust, Series 2006-6,
NovaStar Mortgage Funding Trust, Series 2007-1,
NovaStar Mortgage Funding Trust, Series 2007-2,
NovaStar Mortgage Funding Corporation, Scott F.
Hartman, Gregory S. Metz, W. Lance Anderson,
Mark A. Herpich, The Royal Bank of Scotland
Group, plc, Greenwich Capital Holdings, Inc.,
Greenwich Capital Markets, Inc. d/b/a RBS
Greenwich Capital, Wachovia Securities, LLC,
Deutsche Bank Securities, Inc., Moody's Investors
Service, Inc., and The McGraw-Hill Companies,
Inc.,

Defendants.

-----X
**RULE 7.1 DISCLOSURE STATEMENT OF DEFENDANTS THE ROYAL BANK OF
SCOTLAND GROUP, PLC, GREENWICH CAPITAL HOLDINGS, INC., GREENWICH
CAPITAL MARKETS, INC., D/B/A RBS GREENWICH CAPITAL, WACHOVIA
CAPITAL MARKETS, LLC, SUED HEREIN AS WACHOVIA SECURITIES, LLC, AND
DEUTSCHE BANK SECURITIES, INC.**

Pursuant to Rule 7.1 of the Federal Rules of Civil Procedure, the undersigned
counsel for Defendants The Royal Bank of Scotland Group, plc, Greenwich Capital Holdings,
Inc., Greenwich Capital Markets, Inc., d/b/a RBS Greenwich Capital, Wachovia Capital Markets,
LLC, sued herein as Wachovia Securities, LLC, and Deutsche Bank Securities, Inc., certifies as
follows:

1. The Royal Bank of Scotland Group, plc ("RBS Group") is a public company whose stock is traded on the London Stock Exchange. No publicly-held company owns 10% or more of its stock and it has no parent corporation.

2. Greenwich Capital Holdings, Inc. ("GCH") is a privately-held corporation that is an indirectly but wholly-owned subsidiary of RBS Group. Other than RBS Group, no publicly-held company owns 10% or more of its stock.

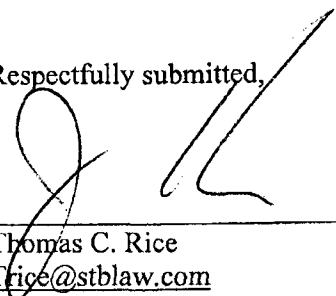
3. Greenwich Capital Markets, Inc., d/b/a RBS Greenwich Capital, is a privately-held corporation and a wholly-owned subsidiary of GCH. No publicly-held company owns 10% or more of its stock.

4. Wachovia Capital Markets, LLC (sued herein as Wachovia Securities, LLC) is a 100% owned subsidiary of EVEREN Capital Corporation. EVEREN Capital Corporation is a wholly-owned subsidiary A.G. Edwards Inc. A.G. Edwards Inc. is a wholly-owned subsidiary of Wachovia Corporation, which is a publicly traded company on the New York Stock Exchange. No publicly traded company owns more than 10% of the equity of Wachovia Corporation.

5. Deutsche Bank Securities, Inc. is a 100% owned subsidiary of Taunus Corporation. Taunus Corporation is a 100% owned subsidiary of Deutsche Bank AG. Deutsche Bank AG is publicly traded on a number of exchanges throughout the world. No other publicly traded company owns more than 10% of the equity of Deutsche Bank AG.

Dated: New York, New York
June 10, 2008

Respectfully submitted,



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*Attorneys for Defendants The Royal Bank of
Scotland Group, plc, Greenwich Capital Holdings,
Inc., Greenwich Capital Markets, Inc., d/b/a RBS
Greenwich Capital, Wachovia Capital Markets,
LLC, sued herein as Wachovia Securities, LLC, and
Deutsche Bank Securities, Inc.*